GOWINGS
Est. 1868

ACN 000 010 471

142nd ANNUAL REPORT

31 July 2010

INVESTING TOGETHER FOR A SECURE FUTURE

CORPORATE DIRECTORY

DIRECTORS

W. A. Salier (Chairman)
J. E. Gowing (Managing director)
J. G. Parker (Non-executive director)

SECRETARIES

G.J. Grundy
J. S. Byers

STOCK EXCHANGE LISTING

The Australian Stock Exchange
Ticker Code: GOW

REGISTERED OFFICE

Suite 21, Jones Bay Wharf
26 - 32 Pirrama Road
Pyrmont NSW 2009
Phone: 61 2 9264 6321
Fax: 61 2 9264 6240
Email: info@gowings.com

SHARE REGISTRY OFFICE

Computershare Investor Services Pty Limited
Level 3, 60 Carrington Street
Sydney NSW 2000
Phone: 1300 855 080
Fax: 61 2 8234 5050

AUDITORS

HLB Mann Judd (NSW Partnership)
Level 19, 207 Kent Street
Sydney NSW 2000
Phone: 61 2 9020 4000

GOWINGS

annual report

Year ended 31 July 2010

CONTENTS

INVESTMENT OBJECTIVE

To maximise and protect shareholder wealth over the long term.

OUR VALUES

Patience
Discipline
Understanding
Conviction
Decisiveness
Integrity

INVESTMENT PHILOSOPHY

Investments are made across different asset classes to take advantage of changing cycles. This greatly assists to outperform the equity market during periods of cyclic downturn or volatility. Having a diversified basket of assets also assists to produce smoother returns from year to year.

Investments are made in assets which have the potential to deliver superior growth over the long term when that growth is not reflected in today's asset prices. Investments are made on a risk return basis with higher returns required for more risky assets.

As a long term investor, we seek to maximise our returns over time through the power of compound interest and minimising tax and transaction costs.

At Gowings, all the board of directors and management are shareholders giving rise to our commitment to "investing together for a secure future".

TRANSPARENT COMMUNICATION

As an investor itself, Gowings values transparent information. An audit review is conducted half yearly and formal audited financial statements are provided annually along with regular informal company updates.

All shareholder communication may be found at the company's website www.gowings.com or on the Australian Stock Exchange's website www.asx.com.au.

INVESTING IN GOWINGS

Gowings shares can be bought or sold through the Australian Stock Exchange under the ticker code GOW.

Gowings is internally managed and does not pay performance fees to an external manager. There are no entry or exit fees and no trailing commissions.

HISTORY

The Gowing family started the company in 1868 and continues to use the company as its principal wealth creation and preservation vehicle.

The company, under 4 generations of the Gowing family, has prospered through 142 years of economic booms and busts, world wars and market crashes. The company's origins were in retailing which soon led to significant property investments being made across Sydney's CBD. At one stage, the Gowings Market Street building completed in 1929 was the tallest building in the city.

Gowings also had an early interest in equity investments being one of the founding investors in Woolworths. In the 1950's, a significant re-allocation of capital was made into listed equities. Since then, the company's investment portfolio mix has shifted between listed equities, property and private equity investments accordingly to the outlook for each asset cycle.

MANAGING DIRECTOR'S REVIEW OF OPERATIONS

On behalf of your board of directors and management, I am pleased to comment on the results for the year ended 31 July 2010.

Gowings net assets per share as at 31 July 2010 was $3.09 before allowing for tax on unrealised capital gains. If the company were to sell its entire long term investment portfolio, its net assets per share after tax paid would be $3.04 per share.

Second half recurring revenue increased significantly by 119% and net recurring income increased by 148% on the first half (refer "Statement of Income" on page 4).

As shareholders are aware, a strategic decision was made to increase the weighting of income generating assets in our investment portfolio given the ongoing uncertainty in global markets. Property investments now account for 53% of our investment portfolio (2009: 9%) following the acquisition of 3 retail shopping centres during the year. The increase in rental revenue was derived from 7 months contribution from Port Central - Port Macquarie, 5 months from Riverside Plaza - Kempsey and 2 months from Moonee Beach – Coffs Harbour.

We continue to believe our well diversified portfolio will provide shareholders with a solid mix of income and capital growth potential in these ongoing uncertain times.

The board of directors has declared a 5c fully franked final dividend per share payable on 22 October 2010 with a record date of 8 October 2010. The DRP and Bonus in Lieu plans will be suspended for this dividend.

OUTLOOK

The transformation of the investment portfolio over the past year will assist to provide shareholders with more stable returns in this ongoing uncertain environment.

The Australian economy remains very buoyant with low unemployment, strong terms of trade and a planned increase in new mining and infrastructure investments. Household wealth has been partially restored thanks to rising house prices and a recovery in the stock market. This positive macro environment should benefit our shopping centre investments if an anticipated increase in consumer spending eventuates.

Globally, the developed countries remain in poor health with the exception of Germany, which is benefiting from a low Euro currency and increased exports. In particular, the USA remains of great concern with the jobless recovery continuing, a distressed housing market and a financially stretched government which appears ready to turn the printing presses on again.

This is in stark contrast to the developing economies that continue to grow robustly. The engine room of global growth continues to be China whose new 5 year plan is due to be released in November. We remain positive on the Chinese economy in the short term, however various trade, currency and territorial issues are developing with its partners that may see a few more speed bumps along its path to urbanisation.

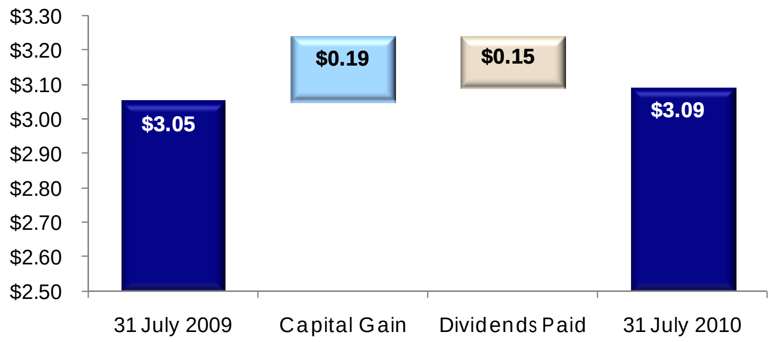
We are continuing to review many interesting opportunities and have maintained strong cash reserves in order to be able to take advantage of one or more that meet our risk and return requirements.

We also remain comfortable with our current investment portfolio which is expected to deliver shareholders with a solid mix of income and capital growth in the years ahead.

John Gowing
Managing Director

29 October 2010

INCREASE IN NET ASSETS PER SHARE



SHAREHOLDER RETURNS

	Before tax on unrealised gains	**After tax on unrealised gains**
Net assets per share 31 July 2009	$3.23	$3.18
Impact of DRP dilution	($.04)	($.04)
Impact of rights issue dilution	($0.14)	($0.13)
Adjusted net assets 31 July 2009	$3.05	$3.01
Net assets per share 31 July 2010	**$3.09**	**$3.04**
Increase in net assets	$0.04	$0.03
+ Ordinary dividend paid	$0.10	$0.10
+ Special dividend paid	$0.05	$0.05
Total Return	**$0.19**	**$0.18**
Total Return %	**6.2%**	**6.0%**

DIVIDENDS

	2010 CENTS PER SHARE	2009 CENTS PER SHARE	**PAYMENT DATE**	**FRANKING**
Final dividend declared(record date 12/10/10)	5.0c		22/10/10	100%
Interim dividend paid	5.0c		23/04/10	100%
Final dividend paid*		5.0c	27/10/09	100%
Special dividend paid*		5.0c	27/10/09	100%
Special dividend paid*		10.0c	26/06/09	100%
Special dividend paid*		5.0c	24/04/09	100%
Interim dividend paid*		5.0c	24/04/09	100%
Total	**10c**	**30c**		

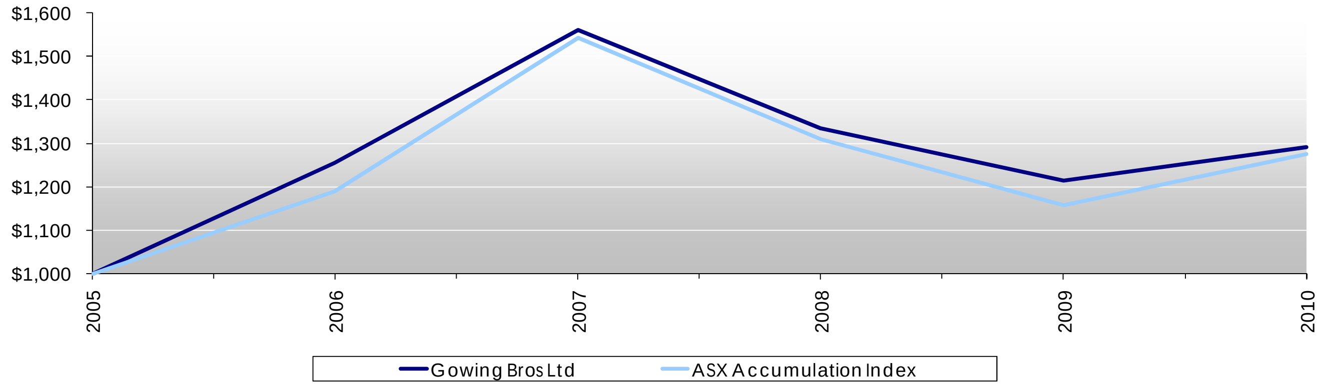
* Fully franked LIC capital gains dividend

STATEMENT OF INCOME

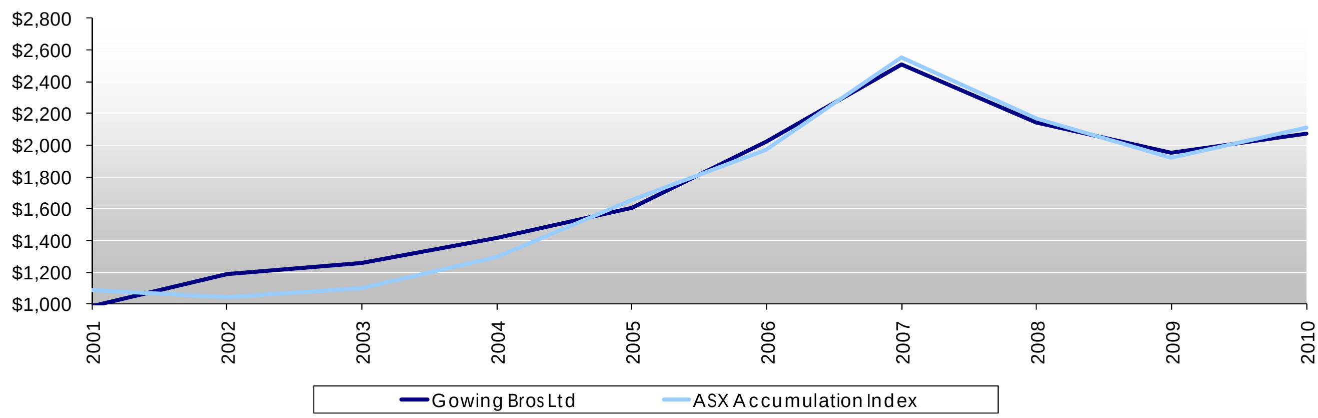
	1st Half 6 months	2nd Half 6 months	Half / Half Movement	31 July 2010 12 months	31 July 2009 12 months	Year / Year Movement
	($'000)	($'000)	%	($'000)	($'000)	%
Recurring Revenue						
Interest income	987	481	(51%)	1,468	4,566	(68%)
Listed equities	1,048	1,704	63%	2,752	2,829	(3%)
Private equities	287	233	(19%)	520	437	19%
Investment property	1,150	5,175	350%	6,325	471	1,243%
Other revenue	0	2	-	2	3	(33%)
Total Recurring Revenue	**3,472**	**7,595**	**119%**	**11,067**	**8,306**	**33%**
Expenses						
Investment property expenses	374	1,565	318%	1,939	273	610%
Administration expenses	115	141	23%	256	208	23%
Borrowing expenses	680	1,364	101%	2,044	930	120%
Depreciation expenses	39	39	0%	78	74	5%
Employee expenses	650	661	2%	1,311	764	72%
Public company expenses	151	200	32%	351	341	3%
Total Expenses	**2,009**	**3,970**	**98%**	**5,979**	**2,590**	**131%**
Net Recurring Income	**1,463**	**3,625**	**148%**	**5,088**	**5,716**	**(11%)**
Non-Recurring Income						
Gains (losses) on disposal or revaluation of:						
Listed equities	3,970	952	(76%)	4,922	12,011	(59%)
Private equities	642	197	(69%)	839	(5,547)	115%
Investment properties	(186)	483	360%	297	-	-
Development properties	155	(55)	(135%)	100	458	(78%)
FX gains (losses)	156	40	(74%)	196	202	(3%)
Other income	2	59	2,850%	61	857	(93%)
Unrealised impairment listed equities	(2,437)	(1,115)	54%	(3,552)	(8,912)	60%
Net Profit Before Tax	**3,765**	**4,186**	**11%**	**7,951**	**4,785**	**66%**
Income tax (expense) benefit	(616)	(760)	(23%)	(1,376)	1,458	(194%)
Net Profit After Tax	**3,149**	**3,426**	**9%**	**6,575**	**6,243**	**5%**

SHAREHOLDER RETURNS

5 Year Comparative Growth of $1,000 Invested



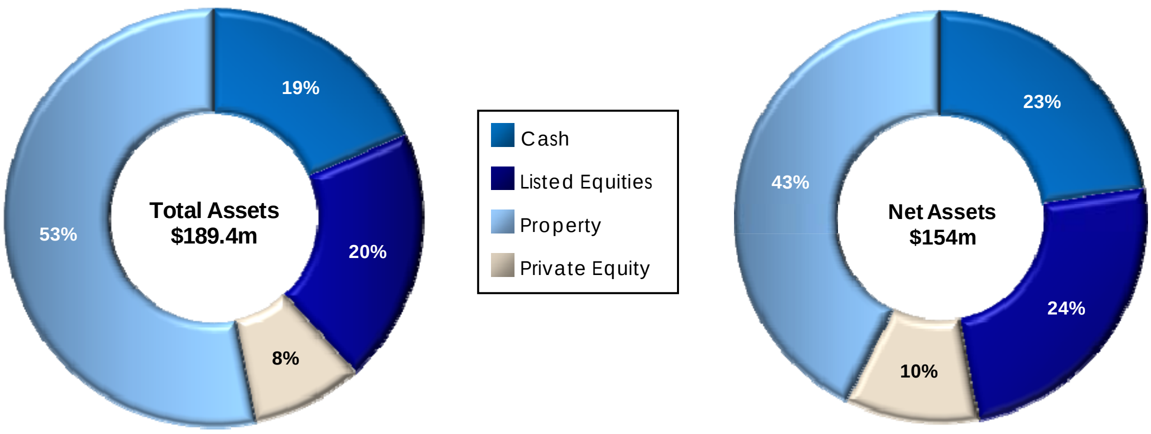
10 Year Comparative Growth of $1,000 Invested



	31July 2010	31 July 2009	31 July 2008	31 July 2007	31 July 2006
Per Share	(12 months)	(12 months)	(12 months)	(12 months)	(12 months)
Opening net assets [1]	$3.05[2]	$3.82	$4.71	$3.87	$3.16
Closing net assets	**$3.09**	**$3.23**	**$3.82**	**$4.71**	**$3.87**
(Decrease) / increase	$0.04	($0.59)	($0.89)	$0.84	$0.71
+ Ordinary dividends paid	$0.10	$0.10	$0.10	$0.10	$0.10
+ Special dividends paid	$0.05	$0.15	$0.10	-	-
Total return	$0.19	($0.34)	($0.69)	$0.94	$0.81
Total return %	**6.2%**	**(8.9%)**	**(14.6%)**	**24.3%**	**25.6%**
S&P ASX 200 Accum. Index	10.1%	(10.2%)	(15.6%)	25.3%	19.0%

[1] *Before allowing for tax on unrealised capital gains* [2] *Adjusted for the impact of the rights issue and underwritten DRP*

"GOWINGS AT A GLANCE"



	31 July 2010	31 July 2009
		$
1. CASH		
Cash and term deposits	30,882,000	5,972,000
Commonwealth Government Securities	-	30,163,000
Total Cash	**30,882,000**	**36,135,000**
2. EQUITIES		
Australian Equity Portfolio		
ANZ Banking Group	5,417,000	4,336,000
Blackmores	4,709,000	3,276,000
QBE Insurance Group	4,142,000	2,984,000
Commonwealth Bank	3,942,000	4,194,000
Woolworths	3,868,000	2,071,000
Westpac Banking Corp	3,598,000	4,251,000
Carlton Investments	2,959,000	2,567,000
CSL	2,055,000	1,894,000
Bank of Queensland	1,106,000	618,750
Metcash	890,000	1,969,000
Hexima	631,000	1,121,000
Infigen Energy	613,000	516,000
Wotif.com Holdings	569,000	346,377
Tassal Group	406,000	-
Souls Private Equity	360,000	355,740
GLG Corp	282,000	149,563
Alinta Energy Group	139,000	191,200
Qrxpharma	94,000	220,000
Other holdings	-	49,182,370
Total Australian Equities	**35,780,000**	**80,243,000**
International Equity Portfolio	$AUD	$AUD
Deere & Co	-	718,000
Warehouse Group	737,000	474,000
Veolia Environment SA	341,000	473,000
Delegats Group	-	374,000
Textron	347,000	244,000
Nokia	144,000	223,000
Other holdings	-	-
Total Global Equities	**1,569,000**	**2,506,000**
Total Equity Portfolio	**37,349,000**	**82,749,000**
Total Cash & Equities	**68,231,000**	**118,884,000**

	31 July 2010	31 July 2009
3. MANAGED PRIVATE EQUITIES		
Macquarie Whole Sale Co-Investment Fund	4,808,000	3,532,000
AMP PEFIIIA	442,000	608,000
ANZ Business Equity Fund	3,415,000	3,796,000
Boundary Bend	2,000,000	-
Crescent Capital Partners II LP	2,338,000	2,124,000
Everest Babcock & Brown Opportunity Fund	325,000	700,000
MEIF	2,185,000	2,395,000
MEIF loan	-	(1,024,000)
Other Investments	619,000	577,000
Total	**16,132,000**	**12,708,000**
4. PROPERTY PORTFOLIO		
Retail	92,658,000	5,110,000
Commercial	3,808,000	4,151,000
Industrial	1,560,000	1,425,000
Residential	804,000	2,655,000
Property Development	1,978,000	2,539,000
Borrowings	(35,325,000)	(13,317,000)
Total	**65,483,000**	**2,563,000**
5. OTHER		
Working capital, loans receivable, provisions	**4,194,000**	**3,487,000**
Net assets before tax on unrealised gains	**154,040,000**	**137,642,000**
Estimated provision for tax on unrealised gains	(2,318,000)	(2,202,000)
Net assets after tax on unrealised gains	**151,722,000**	**135,440,000**
Shares Outstanding	49,892,213	42,588,378
Net Assets per share before estimated tax on unrealised gains	**$ 3.09**	**$ 3.23**
Net Assets per share after allowing for estimated tax on unrealised gains	**$ 3.04**	**$ 3.18**

THE BOARD OF DIRECTORS AND MANAGEMENT

The directors are all shareholders in the company, which ensures that their interests are aligned with those of other shareholders.

DIRECTORS

Tony Salier

Chairman / Non-executive Director
B.A, LL.B (Syd), LL.M (Harvard)
Shareholding: 54,794 shares

Tony Salier has been a director of Gowings since 1974 and chairman since 1995. Tony has witnessed and participated in the growth of the company under the direction of Ted Gowing and John Gowing over the past 40 years.

Tony is a senior lawyer with Pigott Stinson, a long established Sydney law firm. Tony has practised corporate law in Sydney for 43 years and advises a number of corporations. Tony was previously an examiner in company law for the Barristers and Solicitors Admission Board.

Tony is a trustee / director of foundations, estates and private companies with a combined investment portfolio exceeding $100 million.

John Gowing

Managing Director
Bachelor of Commerce, CA, CPA
Shareholding: 18,982,868 shares

John is only the fourth managing director of Gowings in 142 years. John's business and investment skills were developed at an early age by his father Ted. Ted passed on the knowledge that he had received from his father and grandfather. This heritage ensures that the company remains a strong and stable performer through the good times and the bad.

John is a member of the Institute of Chartered Accountants in Australia and a Certified Practising Accountant.

John Parker

Non-executive Director
Bachelor of Economics
Shareholding: 50,000 shares

John has served as a non-executive director of Gowings since January 2002. John is a coach with Foresight's Global Coaching Partnership, providing one-to-one business coaching to senior executives in Australia.

John brings considerable experience to the board with over 29 years in equities research and funds management in Sydney, London and South Africa.

EXECUTIVE MANAGEMENT

Garth Grundy

Chief Operational Officer / Company Secretary
Bachelor of Commerce, CA, F Fin
Shareholding: 62,168 shares

Garth has 18 years of investment and corporate finance experience gained from his past employment with Ernst & Young, Arthur Andersen, Coyne Capital and Hindal Corporate.

Garth is a Fellow of the Financial Services Institute of Australia and a member of the Institute of Chartered Accountants in Australia.

Stephen Byers

Executive Officer Property / Company Secretary
Bachelor of Commerce, LL.B
Shareholding: 29,288 shares

Stephen has been an integral part of the Gowings executive management team in various roles over the past twelve years at both a strategic and operational level. Stephen has been instrumental in developing the company's property development activities. Stephen also provides in-house legal counsel for the company and has previously practised in commercial and property law.

Your directors present their report on the company for the year ended 31 July 2010.

Results

	2010	2009
	$'000	$'000
Operating profit for the year before income tax	7,951	4,785
Income tax (expense)/benefit	(1,376)	1,458
Net profit after income tax	6,575	6,243
Net profit attributable to members of Gowing Bros. Ltd	6,575	6,243

Dividends

A final fully franked dividend of 5 cents per share was paid to shareholders on 22 October 2010.	$2,494,611
An interim fully franked dividend of 5 cents per share was paid to shareholders on 23 April 2010.	$2,494,611
A final fully franked LIC capital gains tax dividend of 5 cents per share was paid to shareholders on 27 October 2009.	$2,129,418
A special fully franked LIC capital gains tax dividend of 5 cents per share was paid to shareholders on 27 October 2009.	$2,129,418

The Dividend Reinvestment Plan (DRP) will be suspended for the current dividend payable on 22 October 2010.

Review of operations
The operations of the company are reviewed in the Managing Director's review of operations on pages 2 to 6.

Environment
The company is committed to a policy of environmental responsibility in all of its business dealings. This policy ensures when the company can either directly or indirectly influence decisions which impact upon the environment, this influence is used responsibly.

Principal activities
The principal activity of the company is investment and wealth management. The company maintains and actively manages a diversified portfolio of assets including long-term equity and similar securities, investment properties, managed private equity, property development projects and cash.

Significant changes in the state of affairs
There were no significant changes in the state of affairs of the company this financial year.

Matters subsequent to the end of the financial year
No other matter or circumstance has arisen which has significantly affected, or may significantly affect, the operations of the company, the results of those operations or the state of affairs of the company in future financial years.

Likely developments and expected results of operations
Further information on likely developments in the operations of the company are included in the Managing Director's review of operations on pages 2 to 6.

Directors' interests

The following persons were directors of Gowing Bros. Limited either during or since the end of the year.

	DIRECTORS' INTERESTS IN SHARES AND OPTIONS OF GOWING BROS. LIMITED	
	Shares	Options
W. A. Salier - chairman Non-executive Bachelor of Arts, LL.B., LL.M. (Harvard) Director since 1974 Member of the audit committee Mr Salier is a solicitor with 43 years experience No directorships held in other listed companies over the past 3 years	54,794	-
J. E. Gowing - managing director Executive Bachelor of Commerce Member of The Institute of Chartered Accountants in Australia Member of CPA Australia Director since 1983 No directorships held in other listed companies over the past 3 years	18,982,868	-
J. G. Parker Non-executive Bachelor of Economics Director since 2002 Member of the audit committee Mr Parker is an executive director of a niche alternative assets manager. No directorships held in other listed companies over the past 3 years	50,000	-

Meetings of directors

Attendance at board and audit committee meetings by each director of the company during the financial year is set out below:

	BOARD MEETINGS		AUDIT COMMITTEE MEETINGS	
	Held	Attended	Held	Attended
W. A. Salier	11	9	2	2
J. E. Gowing	11	11	-	-
J. G. Parker	11	10	2	2

Remuneration report

The company's remuneration report, which forms a part of the Directors' Report, is on pages 12 to 15.

Corporate governance

A statement describing the company's main corporate governance practices is on pages 16 and 17.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 51.

Shares under option

There were no unissued shares under option at the date of this report.

Indemnification and insurance of directors and officers
The company's constitution provides an indemnity for every officer against any liability incurred in his capacity as an officer of the company to another person, except the company or a body corporate related to the company, unless such liability arises out of a conduct involving lack of good faith on the part of the officer. The constitution further provides for an indemnity in respect of legal costs incurred by those persons in defending proceedings in which judgement is given in their favour, they are acquitted or the court grants them relief. During the year the company paid insurance premiums in respect of the aforementioned indemnities. Disclosure of the amount of the premiums and of the liabilities covered is prohibited under the insurance contract.

Non-audit services
The company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the company are important.

Details of the amounts paid or payable to the auditor (HLB Mann Judd NSW Partnership) for audit and non-audit services provided during the year are set out below.

The board of directors has considered the position and, in accordance with the advice received from the audit committee is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001.* The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the audit committee to ensure they do not impact the impartiality and objectivity of the auditor
- none of the services undermine the general principles relating to auditor independence as set out in APES110 Code of Ethics for Professional Accountants, including reviewing or auditing the auditors' own work, acting in a management or a decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risk and rewards.

Audit fees and services
During the year the following fees were paid or payable for services provided by the auditor of the company, its related practices and non-related audit firms:

	2010 $	2009 $
1. Audit services		
Audit and review of financial reports and other audit work under the *Corporations Act 2001*	66,000	61,500
2. Taxation services		
Tax compliance services, including review of company income tax returns	11,360	23,610
3. Advisory services		
General advisory services	2,000	1,000

Rounding of amounts
The company is of a kind referred to in Class Order 98/0100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Environmental regulation
No significant environmental regulations apply to the company.

This report is made in accordance with a resolution of the directors of Gowing Bros. Limited.

W. A. SALIER
Director

J. E. GOWING
Director

Sydney
29 October 2010

The remuneration report is set out under the following main headings:

Principles used to determine the nature and amount of remuneration
Details of remuneration
Service agreements
Share-based compensation
Additional information

The information provided in this remuneration report has been audited as required by section 308(3C) of the *Corporations Act 2001.*

Principles used to determine the nature and amount of remuneration
It is the company's objective to provide maximum stakeholder benefit from the retention of a high quality Board and executive team by remunerating directors and executives fairly and appropriately with reference to relevant employment market conditions and the nature of company operations.

The Board has chosen not to establish a remuneration committee given the nature of the company. The company has two non-executive directors, one executive director and two other executives. The full board acts as a remuneration committee as and when appropriate.

Non-executive directors
For non-executive directors, remuneration is typically by way of directors' fees as described below. For the executive director and two executives, remuneration is by way of a fixed salary component and a discretionary incentive component as described below.

Persons who were non-executive directors of the company for all of the financial year ended 31 July 2010 were:

- W.A. Salier, chairman
- J.G. Parker.

Directors' fees
The remuneration of non-executive directors is determined in accordance with the directors' remuneration provisions of the company's constitution. Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. Non-executive directors' fees and payments are reviewed annually by the board in line with the market. The chairman's fees are determined independently to the fees of non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to determination of his own remuneration. Non-executive directors do not receive any performance based remuneration or share options.

There is no scheme to provide retirement benefits to non-executive directors.

Executive
Executives are officers of the company who are involved in, concerned with, take part in and are able to influence decisions in the management of the affairs of the company. Persons who were executives for all or part of the financial year ended 31 July 2010 were:

- J.E. Gowing, Managing Director
- G.J. Grundy, Chief Operational Officer / Company Secretary
- J.S. Byers, Executive Officer Property / Company Secretary
- M.D. de Lepervanche Financial Controller

Executive remuneration is a combination of a fixed total employment costs package and a discretionary incentive element which may be awarded by cash bonus or invitation to participate in the company's Employee Share & Option Scheme or Deferred Employee Share Plan Scheme. Remuneration is referenced to relevant employment market conditions and reviewed annually to ensure it is competitive and reasonable.

The incentive element is awarded at the discretion of the board on the basis of recommendation from the managing director. In determining the amount (if any) of bonus payments or of options or shares issued, consideration is given to an executive's effort and contribution to both the current year performance and the long term performance of the company, the scope of the executive's responsibility within the company, the scale and complexity of investments required to be managed, the degree of active management required and the degree of skill exhibited in the overall process. Regard is also to be had to the quantum of an executive's total remuneration.

Amounts of remuneration

Details of the remuneration of the directors and the key management personnel are set out in the following tables:

2010	SHORT TERM EMPLOYEE BENEFITS			POST-EMPLOYMENT BENEFITS	LONG TERM BENEFITS	TOTAL
Name	Cash salary and fees $	Cash bonus $	Non-monetary benefits $	Super-annuation $	Long service leave $	$
Non-executive directors						
W.A. Salier (Chairman)	60,000	-	-	-	-	60,000
J. G. Parker	-	-	-	40,000	-	40,000
Non-executive directors	60,000	-	-	40,000	-	100,000
Executive directors						
J.E. Gowing	153,302	-	56,363	15,853	3,748	229,266
Other key management personnel						
G.J. Grundy	214,163	50,121	-	19,329	-	283,613
J.S Byers	189,550	20,000	41,136	12,551	8,106	271,343
M. D. de Lepervanche	120,756	50,000	-	10,011	-	180,767
Total key management personnel compensation	737,771	120,121	97,499	97,744	11,854	1,064,989

2009	SHORT TERM EMPLOYEE BENEFITS			POST-EMPLOYMENT BENEFITS	LONG TERM BENEFITS	TOTAL
Name	Cash salary and fees $	Cash bonus $	Non-monetary benefits $	Super-annuation $	Long service leave $	$
Non-executive directors						
W.A. Salier (Chairman)	49,000	-	-	11,000	-	60,000
J. G. Parker	10,000	-	-	30,000	-	40,000
Non-executive directors	59,000	-	-	41,000	-	100,000
Executive directors						
J.E. Gowing	166,341	20,000	68,633	29,669	3,748	288,391
Other key management personnel						
G.J. Grundy	195,757	40,000	-	18,296	-	254,053
J.S Byers	159,141	30,000	34,142	14,119	2,967	240,369
M. D. de Lepervanche	109,359	15,000	-	9,323	-	133,682
Total key management personnel compensation	689,598	105,000	102,775	112,407	6,715	1,016,495

The relative proportion of remuneration that are linked to performance and those that are fixed are as follows:

NAME	FIXED REMUNERATION		AT RISK	
	2010 %	2009 %	2010 %	2009 %
Executive directors				
J.E. Gowing	100	93	-	7
Other key management personnel				
G.J Grundy	82	84	18	16
J.S. Byers	93	88	7	12
M. D. de Lepervanche	72	89	28	11

All performance based remuneration is discretionary and determined on current year and long term performance of the company.

Service agreements

There are no service agreements in place with W.A. Salier, J.G. Parker, J.E. Gowing and J.S. Byers.

The company has entered into a service agreement with G.J. Grundy and M.D. de Lepervanche.

Remuneration and other terms of employment for the Managing Director, executives and other key management personnel are approved by the board of directors and provide for the provision of performance-related cash bonuses.

Other major provisions relating to remuneration are set out below.

J.E. Gowing, *Managing Director*
- Term – indefinite.
- Base salary, inclusive of superannuation, as at 31 July 2010 of $192,000, to be reviewed annually by the board of directors.
- Other benefits and non-monetary benefits included motor vehicle, car parking and FBT related charges for the year ended 31 July 2010 of $56,363.
- No termination benefit is payable.

G.J. Grundy, Chief Operational Officer / Company Secretary
- Term – indefinite.
- Base salary, inclusive of superannuation, as at 31 July 2010 of $220,000, to be reviewed annually by the Managing Director.
- Other benefits and non-monetary benefits included motor vehicle allowance for the year ended 31 July 2010 of $28,982.
- No termination benefit is payable.

J.S. Byers, *Executive Officer Property / Company Secretary*
- Term – indefinite.
- Base salary, inclusive of superannuation, as at 31 July 2010 of $210,000, to be reviewed annually by the Managing Director.
- Other benefits and non-monetary benefits included motor vehicle, car parking and FBT related charges for the year ended 31 July 2010 of $41,136.
- No termination benefit is payable.

M.D. de Lepervanche, Financial Controller
- Term – indefinite.
- Base salary, inclusive of superannuation, as at 31 July 2010 of $130,000, to be reviewed annually by the Managing Director.
- No termination benefit is payable.

Share-based compensation
No share based compensation is currently offered by the company.

Additional Information
Employee Share & Option Scheme
The scheme is not currently operational and no shares or options were issued under this scheme during the year.

Deferred Share Plan Scheme
Under this scheme cash bonuses awarded to employees may be used to purchase shares previously acquired by the company as part of its on market buy back at the price paid by the company.

The company Employee Share & Option scheme and Deferred Employee Share Plan Scheme may be utilised as a part of the award of any incentive payment for all employees

The board of directors of Gowing Bros. Limited is responsible for the corporate governance of the company. The board guides and monitors the business and affairs of Gowing Bros. Limited on behalf of the shareholders by whom they are elected and to whom they are accountable.

Gowing Bros. Limited corporate governance practices were in place throughout the year ended 31 July 2010 and were compliant with the Australian Stock Exchange Corporate Governance Council's ("the Council's") "Principles of Good Corporate Governance and Best Practice Recommendations" ("the Recommendations") which are as follows:

Principle 1. Lay solid foundations for management and oversight
Principle 2. Structure the board to add value
Principle 3. Promote ethical and responsible decision making
Principle 4. Safeguard integrity in financial reporting
Principle 5. Make timely and balanced disclosure
Principle 6. Respect the rights of shareholders
Principle 7. Recognise and manage risk
Principle 8. Remunerate fairly and responsibly with the exception of the following:

Principle 2.4 A nomination committee has not been established
Principle 8.1 A remuneration committee has not been established

Structure of the board

The skills, experience and expertise relevant to the position of Director held by each director in office at the date of the annual report is included in the directors' report on page 7.

The company currently has two non-executive directors and one executive director being the managing director, Mr John Gowing. Both non-executive directors meet the independence requirement of the ASX Listing Rules on corporate governance.

There are procedures in place, agreed by the board, to enable directors, in furtherance of their duties, to seek independent professional advice at the company's expense.

The term in office held by each director in office at the date of this report is as follows:

Name	**Term in office**
Tony Salier	36 years
John Parker	9 years
John Gowing	28 years

Nomination Committee

The Board has not established a Nomination Committee as the Directors do not consider such a Committee to be of value or benefit given the nature of the Company.

All Directors are appointed subject to re-election requirements of the Company's Constitution, ASX Listing Rules and *Corporations Act 2001* provisions. The Board regularly reviews succession plans taking into consideration the range of skills, experience and expertise of the current members.

Audit committee

The board established its audit committee in 1997. The committee operates under a charter approved by the board.

It is the board's responsibility to ensure that an effective internal control framework exists within the company. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial information. The Board has delegated to the audit committee the responsibility for oversight and monitoring of the effectiveness of the company's internal control framework and the effectiveness of the external audit function.

The committee also provides the board with additional assurance regarding the reliability of financial information for inclusion in the financial reports.

The members of the audit committee during the year were:

J.G. Parker, chairman
W.A. Salier

Performance

Given the nature of the company, the Board has adopted an informal ad-hoc performance evaluation process of its members and key executives.

Remuneration

It is the company's objective to provide maximum stakeholder benefit from the retention of a high quality board and executive team by remunerating directors and key executives fairly and appropriately with reference to relevant employment market conditions. The board however has chosen not to establish a remuneration committee given the nature of the company.

For details on the amount of remuneration and all monetary and non-monetary components for each of the defined non-director executives during the year and for all directors, refer to pages 12 to 15. In relation to the payment of bonuses, options and other incentive payments, discretion is exercised by the Board, having regard to the overall performance of the company and the performance of the individual during the period.

There is no scheme to provide retirement benefits, other than statutory superannuation, to non-executive directors.

1. Shareholders at 30 September 2010

Range of shares	No of shareholders
1- 1,000 Shares	323
1,001-5,000 Shares	570
5,001-10,000 Shares	233
10,001-100,000 Shares	303
Over 100,000 Shares	37
Total Shareholders	1,466

The number of shareholdings held in less than marketable parcels is 90.

2. Voting rights

Members voting personally or by proxy have one vote for each share.

3. Substantial shareholders at 30 September 2010

The substantial shareholders as defined by Section 9 of the *Corporations Act 2001* are:

John Edward Gowing	18,982,868	Ordinary Shares
Estate Late Mollie Gowing	4,498,260	Ordinary Shares
Carlton Hotel Limited	4,273,768	Ordinary Shares
RBC Dexia Investor Services Australia Nominees Pty Limited	4,181,514	Ordinary Shares

4. Top twenty equity security holders at 30 September 2010

In accordance with Australian Stock Exchange Listing Rule 4.10, the top twenty equity security holders are:

		No of ordinary shares	% of issued shares
1.	Audley Investments Pty Ltd	6,159,916	12.35
2.	Warwick Pty Ltd	5,634,799	11.29
3.	John Edward Gowing	4,421,726	8.86
4.	Carlton Hotel Ltd	4,273,768	8.57
5.	RBC Dexia Investor Services Australia Nominees Pty Ltd	4,181,514	8.38
6.	Woodside Pty Ltd	2,369,768	4.75
7.	Estate Late Mollie Gowing	1,996,601	4.00
8.	Dandeloo Pty Ltd	1,325,941	2.66
9.	Appleby Pty Ltd	1,175,718	2.36
10.	T N Phillips Investments Pty Ltd	781,534	1.57
11.	Cogent Nominees Pty Ltd	682,811	1.37
12.	Frederick Bruce Wareham	580,006	1.16
13.	Enbeear Pty Ltd	578,936	1.16
14.	Jean Kathleen	516,767	1.04
15.	J S Millner Holdings Pty Ltd	317,960	0.64
16.	Washington H Soul Pattinson & Company Ltd	277,736	0.56
17.	National Nominees Ltd	249,124	0.50
18.	Cranley Holdings Pty Ltd	247,315	0.50
19.	Mr Graeme Legge	246,113	0.49
20.	ANZ Nominees Ltd	217,583	0.44
Total		36,235,636	72.66
Total Issued Share Capital		49,892,213	

Number of shares bought back since year end: NIL.

5. Corporate governance practices

Gowing Bros. Limited corporate governance practices are described on pages 16 and 17.

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STATEMENT OF COMPREHENSIVE INCOME 31 July 2010

	Notes	2010 $'000	2009 $'000
Revenue			
Interest income		1,468	4,566
Listed equities		2,752	2,829
Private equities		520	437
Investment properties		6,325	471
Other revenue		2	3
Total revenue		11,067	8,306
Other income			
Gains (losses) on disposal or revaluation of:			
Listed equities		4,922	12,011
Private equities		839	(5,547)
Investment properties		297	-
Development properties		100	458
Other income		257	1,059
Total other income		6,415	7,981
Total revenue and other income		17,482	16,287
Expenses			
Investment property expenses		1,939	273
Administration expenses		256	208
Borrowing cost expenses		2,044	930
Depreciation expenses		78	74
Employee benefits expense		1,311	764
Public company expenses		351	341
Total expenses		5,979	2,590
Profit from continuing operations before impairment & income tax expense	5	11,503	13,697
Unrealised impairment listed equities		3,552	8,912
Profit before income tax expense		7,951	4,785
Income tax expense/ (benefit)	6	1,376	(1,458)
Profit from continuing operations		6,575	6,243
Other comprehensive income			
Net increase (decrease) in fair value of investments net of tax		271	(17,606)
Total comprehensive income attributable to members of Gowing Bros. Ltd	29	6,846	(11,363)
Basic earnings per share	37	13.85c	14.68c
Diluted earnings per share	37	13.85c	14.68c

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

BALANCE SHEET

As at 31 July 2010

	Notes	2010 $'000	2009 $'000
Current assets			
Cash and cash equivalents	7	30,882	5,972
Investment properties	8	1,554	3,580
Trade and other receivables	9	155	969
Commonwealth Government Securities	10	-	30,163
Other	11	718	211
Total current assets		33,309	40,895
Non-current assets			
Receivables	12	12	478
Listed equities	13	37,349	82,749
Private equities	14	16,132	13,732
Development properties	15	1,978	2,539
Investment properties	16	94,359	6,810
Property, plant and equipment	17	3,322	3,311
Deferred tax assets	18	6,480	5,917
Other	19	331	331
Total non-current assets		159,963	115,867
Total assets		193,272	156,762
Current liabilities			
Trade and other payables	20	1,103	360
Financial liabilities	21	-	229
Borrowings	22	10	10,842
Current tax liabilities	23	1,768	3,707
Provisions	24	205	-
Total current liabilities		3,086	15,138
Non-current liabilities			
Payables		62	87
Borrowings	25	35,370	3,499
Provisions	26	244	158
Deferred tax liabilities	27	2,788	2,440
Total non-current liabilities		38,464	6,184
Total liabilities		41,550	21,322
Net assets		151,722	135,440
Equity			
Contributed equity	28	15,294	(895)
Reserves	29	95,910	95,639
Retained profits	29	40,518	40,696
Total equity		151,722	135,440

The above balance sheet should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

31 July 2010

	Contributed Equity $'000	Capital Profits Reserve- Pre CGT Profits $'000	Investment Revaluation Reserve- Listed Equities $'000	Retained Earnings $'000	Total $'000
Balance at 1 August 2008	**(1,111)**	**82,647**	**22,743**	**52,937**	**157,216**
Total comprehensive income for the year	-	7,856	(17,607)	(1,613)	(11,364)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs	216	-	-	-	216
Dividends paid	-	-	-	(10,628)	(10,628)
	216	-	-	(10,628)	(10,412)
Balance at 31 July 2009	(895)	90,503	5,136	40,696	135,440
Total comprehensive income for the year	-	-	271	6,575	6,846
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs	16,189	-	-	-	16,189
Dividends paid	-	-	-	(6,753)	(6,753)
	16,189	-	-	(6753)	9,436
Balance at 31 July 2010	15,294	90,503	5,407	40,518	151,722

The above statement of changes in equity should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS

Year ended 31 July 2010

	Notes	2010 $'000	2009 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		6,841	800
Payments to suppliers and employees (inclusive of GST)		(3,731)	(2082)
Dividends received		3,444	3,241
Interest received		2,296	3,767
Borrowing costs		(2,069)	(930)
Income taxes paid		(3,647)	(5,166)
Net cash (outflows) inflows from operating activities	38	3,134	(370)
Cash flows from investing activities			
Payments for purchases of properties, plant and equipment		(40)	(121)
Payments for purchases of development properties		(350)	(1,652)
Payments for purchases of investment properties		(87,886)	-
Payments for financial assets		(40,167)	(136,726)
Proceeds from sale of financial assets		115,927	98,792
Proceeds from sale of property and other assets		3,671	4,710
Net cash outflows from investing activities		(8,845)	(34,997)
Cash flows from financing activities			
Proceeds from borrowings		33,014	981
Proceeds from shares issued		14,061	-
Repayment of borrowings		(11,828)	(1,069)
Dividends paid		(4,626)	(10,412)
Net cash (outflows) from financing activities		30,621	(10,500)
Net (decrease) increase in cash held		24,910	(45,867)
Cash and cash equivalents at the beginning of the financial year		5,972	51,839
Cash and cash equivalents at the end of the financial year	7	30,882	5,972

The above statement of cash flows should be read in conjunction with the accompanying notes.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation
This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001.*

Compliance with IFRS
The consolidated financial statements of Gowing Bros. Limited comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Historical cost convention
These financial statements have been prepared under the historical cost convention, as modified by the revaluation of listed equities (available-for-sale financial assets), private equities and investment properties.

Critical accounting estimates
The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement and complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

Financial statement presentation
Gowing Bros Limited has applied the revised AASB 101 *Presentation of Financial Statements* which became effective 1 January 2009. The revised standard requires the separate presentation of a statement of comprehensive income and statement of changes in equity. All non-owner changes in equity must now be presented in the statement of comprehensive income. As a consequence, Gowing Bros Limited had to change the presentation of its financial statements. Comparative information has been re-presented so that it is also in conformity with the revised standard.

(b) Segment reporting
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker including:

- Cash and fixed interest
- Listed equities
- Private equities
- Investment properties
- Development properties
- Other

(c) Foreign currency translation
(i) Functional and presentation currency
Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates ("functional currency"). The financial statements are presented in Australian dollars, which is Gowing Bros. Limited's functional and presentation currency.
(ii) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Translation differences on non-monetary assets and liabilities on private equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translations differences on other non-monetary financial assets are reported as part of the fair value gain or loss in equity.

(d) Income tax
The income tax expense or revenue for the period is the tax payable on the current period's taxable income adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss. Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(e) Impairment of assets
Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

(f) Property, plant and equipment
The purchase method of accounting is used for acquisitions of property, plant and equipment (excluding investment properties). Cost is measured as the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition. Where equity instruments are issued in an acquisition, the value of the instruments is their market price as at the acquisition date. Transaction costs arising on the issue of equity instruments are recognised directly in equity. Depreciation is calculated on a straight-line basis to write off the net cost or revalued amount of each item of plant and equipment (excluding land and investment properties) over its expected useful life to the company. Estimates of remaining useful lives are made on a regular basis for all assets, with annual reassessments for major items. Land is not depreciated. Depreciation is calculated to allocate cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

Plant and equipment	3 to 10 years
Motor vehicles	6 to 8 years
Buildings	40 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposal are determined by comparing proceeds with carrying amount. These are included in profit or loss.

(g) Revenue recognition
Revenue is recognised for the major business activities as follows:

(i) Listed equities
Dividend income is recognised when received. Revenue from the sale of investments is recognised at trade date.

(ii) Property rental
Rental income is recognised in accordance with the underlying rental agreements.

(iii) Land development and sale
Revenue is recognised on settlement.

(iv) Property construction and sale
Contract revenue and expenses are recognised in accordance with the percentage completion method unless the outcome of the contract cannot be reliably estimated. Where the outcome of a contract cannot be reliably estimated, contract costs are recognised as an expense incurred, and where it is probable costs will be recovered, revenue is recognised to the extent of costs incurred. Where it is probable that a loss will arise from a construction contract, the excess of the total expected contract costs over total expected contract revenue is recognised as an expense immediately.

(v) Other investment revenue
Changes in fair value of private equities are recognised through the profit or loss. Trust income and option income is recognised when earned.

(vi) Other property revenue
Changes in fair value of properties are recognised through the profit or loss. Other property revenue is recognised in accordance with underlying agreements.

(vii) Interest revenue
Interest income is recognised on an accrual basis.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Receivables

Receivables comprise mainly amounts due in relation to the sale of company investments with differing terms depending upon the type of asset being sold. Amounts due for the sale of listed equities are usually due three days after sale. Amounts due for the sale of properties are usually due on settlement unless the specific contract provides for extended terms.

(i) Investments and other financial assets

Interests in listed equities are brought to account at fair value, with the change in fair value reflected in the long term revaluation reserve.

Interests in private equities are brought to account at fair value, with any change in fair value reflected in the profit or loss.

The interest in joint ventures is accounted for as set out in note 35.

The company classifies its investments in the following categories: private equities (financial assets at fair value through profit or loss) and listed equities (available-for-sale financial assets). The classification depends on the purpose for which it was acquired. Management determines the classification on initial recognition.

(i) Listed equities

Listed equities, comprising principally marketable equity securities, are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

(ii) Private equities

Private equities are held with the view they are long term investments.

Recognition/de-recognition and subsequent measurement

Regular purchases and sales of investments are recognised on trade-date - the date on which the company commits to the purchase or sale of the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through the profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership.

Investments and financial assets are subsequently carried at fair value. Gains or losses arising from private equities, including interest and dividend income, are presented in the income statement within other income or other expenses in the period in which they arise.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. The translation differences related to changes in amortised cost are recognised in profit or loss and other changes in carrying amount are recognised in equity. Changes in the fair value of other monetary and non-monetary securities classified as listed equities are recognised in equity.

When listed securities are sold the accumulated fair value adjustments recognised in equity are included in the income statement as gains (losses) from listed equities.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions and reference to other instruments that are substantially the same and relying as little as possible on company-specific inputs.

Impairment

The company assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that asset previously recognised in the income statement. Impairment losses recognised in the income statement on equity instruments classified as available-for-sale are not reversed through the income statement.

(j) Investment properties

Investment property, principally comprising freehold commercial and retail buildings, is held for long-term rental yields and is not occupied by the company. Investment property is carried at fair value determined annually by management. Changes in fair values are recorded in profit or loss as part of other income.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Joint ventures

Jointly controlled assets

The proportionate interests in the assets, liabilities and expenses of joint venture activities have been incorporated in the financial statements under the appropriate headings. Details of the joint ventures are set out in note 35.

(l) Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days after the end of the month of recognition.

(m) Borrowings

Bills payable are carried at their principal amounts. Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

(n) Dividends

Provision is made for the amount of any dividend declared, determined or publicly recommended by the directors on or before the end of the financial year but not distributed at balance date.

(o) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement for disclosure purposes.

The fair value of financial instruments traded in active markets (such as listed equities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the company is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The company uses a variety of methods and assumptions that are based on market conditions existing at balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held.

Other techniques as described in Note 3 are used to determine fair values of private equities and investment properties.

(p) Employee entitlements

(i) Wages, Salaries and Annual Leave

Liabilities for wages, salaries and annual leave are recognised in other creditors, and are measured as the amount unpaid at the reporting date in respect of employees' services up to that date at pay rates expected to be paid when the liabilities are settled.

(ii) Long Service Leave

A liability for long service leave is recognised, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels and periods of service.

(q) Borrowing costs

Borrowing costs are recognised as expenses in the period in which they are incurred except where they are included in the costs of qualifying assets.

Only borrowings costs relating specifically to the qualifying asset are capitalised.

Borrowing costs include interest on bank overdrafts and short-term and long-term borrowings, including amounts paid or received on interest rate swaps.

(r) Cash and cash equivalents

For purposes of the statement of cash flows, cash includes deposits at call which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

(s) Leases

Leases of property, plant and equipment where the company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the company will obtain ownership at the end of the lease term.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after tax effect of the interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(u) Rounding of amounts

The company is of a kind referred to in Class Order 98/0100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

(v) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 31 July 2010 reporting periods. These standards and interpretations are not expected to have a material impact on the company other than as set out below.

AASB 9 *Financial Instruments* (effective from 1 January 2013)

AASB 9 *Financial Instruments* addresses the classification and measurement of financial assets and is likely to affect the company's accounting for its financial assets. The standard is not applicable until 1 January 2013 but is available for early adoption. The company is yet to assess its full impact. However, initial indications are that it may affect the company's accounting for its available-for-sale financial assets, since AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading.

The Company has decided against early adoption of these standards.

(w) Comparative Information

Information has been reclassified where applicable to enhance comparability.

2. FINANCIAL RISK MANAGEMENT

The company's activities expose it to a variety of financial risks; market risk (including foreign exchange risk, price risk and interest rate risk) liquidity risk, and fair value estimation risk. The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the company through the mix of investment classes. The Board of Directors and management undertake various risk management practices both informally on a daily basis and formally on a monthly basis at Board level. Risks are identified and prioritised according to significance and probability. Progress towards managing these risks is documented and formally reviewed on a monthly basis.

Market risk

(i) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the company's functional currency. The company does not have a policy with regard to hedging currency risk. The company has not hedged its foreign currency investments. The multiple currencies provide diversification benefits to the portfolio. The company monitors foreign currency movements daily and seeks various advice from foreign currency specialists as to potential courses of action that may protect or enhance the value of the company's investments.

The company's exposure to foreign currency risk at the reporting date was as follows:

	31 July 2010				31 July 2009			
Currency Exposure in AUD	USD $'000	EUR $'000	NZD $'000	GBP $'000	USD $'000	EUR $'000	NZD $'000	GBP $'000
Cash	3,094	1,148	452	1,136	4	25	3,170	-
Listed Equities	346	485	737	-	962	696	848	-
Private Equities	-	2,185	-	-	-	2,395	-	-
Loan payable – secured	-	-	-	-	-	1,024	-	-

Based on the cash held at 31 July 2010, if the Australian dollar weakened/strengthened by 10% against the US dollar cash would have been $343,744 higher / $281,245 lower (2009: $496 higher / $406 lower). If the Australian dollar weakened/strengthened by 10% against the EUR cash would have been $127,588 higher / $104,390 lower (2009: $2,742 higher / $2,243 lower). If the Australian dollar weakened/strengthened by 10% against the NZD dollar cash would have been $50,250 higher / $41,114 lower (2009: 352,076 higher / $288,283 lower). If the Australian dollar weakened/strengthened by 10% against the GBP cash would have been $126,211 higher / $103,263 lower.

Based on the equities held at 31 July 2010, if the Australian dollar weakened/strengthen by 10% against the US dollar equities would have been $38,504 higher / $31,504 lower (2009: $106,866 higher / $87,436 lower). If the Australian dollar weakened/strengthened by 10% against the EUR equities would have been $53,919 higher / $44,116 lower (2009: $77,383 higher / $63,313 lower). If the Australian dollar weakened/strengthened by 10% against the NZD equities would have been $81,877 higher / $66,990 lower (2009: $94,257 higher / $77,120 lower).

Based on the private equities held at 31 July 2010, if the Australian dollar weakened / strengthened by 10% against the EUR private equities would have been $242,828 higher / $198,677 lower (2009: $266,124 higher / $217,738 lower).

(ii) Price risk

The company is exposed to asset price risk. This arises from investments held by the company and classified on the balance sheet either as available-for-sale or at fair value through the profit or loss. A general fall of 5% and 10% in prices, if spread equally over the investment portfolio, would lead to a reduction of $2,674,000 and $5,348,000 respectively.

The company seeks to reduce market risk at the investment portfolio level by ensuring that it is not overly exposed to one company or one particular sector of the market. The relative weightings of the individual investments and the relevant market sectors are reviewed regularly and risk can be managed by reducing exposure where necessary. The company does not have set parameters as to a minimum or maximum amount of the portfolio that can be invested in a single company or sector. The writing and purchasing of options provides some protection against a fall in market prices by both generating income to partially compensate for a fall in capital values and buying put protection to lock in asset prices.

2. FINANCIAL RISK MANAGEMENT (CONTINUED)

(iii) Cash flow and fair value interest rate risk

The company's interest-rate risk arises from long-term borrowings and cash on deposit. Borrowings issued at variable rates expose the company to cash flow interest-rate risk. Borrowings issued at fixed rates expose the company to fair value interest-rate risk. The company's interest bearing assets include deposits on the overnight money market. Interest earnt on these deposits varies according to the Reserve Bank's monetary policy decisions.

As at the reporting date, the company had the following variable rate borrowings and interest rate swap contracts outstanding:

	31 July 2010		31 July 2009	
	Weight average interest rate	Balance $'000	Weight average interest rate	Balance $'000
Borrowings	6.41%	35,325	5.84%	4,341
Interest rate swaps (notional principal amount)	5.86%	(25,000)	-	-
Net exposure to cash flow interest rate risk		10,325		4,341

An analysis by maturities is provided below.

Credit risk
The company has no material exposure to trade receivables

Liquidity risk
The standard defines this as the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close-out market positions. Management monitors its cash flow requirements daily. Furthermore management monitors the level of contingent payments on a weekly basis by reference to known sales and purchases of securities, dividends and distributions to be paid or received.

Maturities of financial liabilities
The table below analyse the company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date.

31 July 2010	Less than 1 year	Between 1-2 years	Between 2-5 years	Over 5 years	Total contractual cash flow
	$'000	$'000	$'000	$'000	$'000
Non-derivatives					
Non-interest bearing	1,103	62	-	-	1,165
Variable rate	-	-	35,325	-	35,325
Fixed rate	10	22	23	-	55
Total non-derivatives	1,113	84	35,348	-	36,545
Derivatives					
Net settled (interest rate swaps)	-	-	(25,000)	-	(25,000)

2. FINANCIAL RISK MANAGEMENT (CONTINUED)

31 July 2009	Less than 1 year	Between 1-2 years	Between 2-5 years	Over 5 years	Total contractual cash flow
	$'000	$'000	$'000	$'000	$'000
Non-derivatives					
Non-interest bearing	360	87	-	-	447
Options	229	-	-	-	229
Variable rate	842	2,475	1,024	-	4,341
Fixed rate	10,000	-	-	-	10,000
Total non-derivatives	11,431	2,562	1,024	-	15,017
Derivatives					
Net settled (interest rate swaps)	-	-	-	-	-

Fair value estimation
The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

As of 1 August 2009 the company has adopted the amendments to AASB 7 Financial Instruments: Disclosures which requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

(a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
(b) Inputs other than quoted prices included within level 1 that are observable of the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2), and
(c) Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The following tables present the company's assets measured and recognised at fair value at 31July 2010. Comparative information has not been provided as permitted by the transitional provisions of the new rules.

31 July 2010	Level 1	Level 2	Level 3	Total
	$'000	$'000	$'000	$'000
Financial Assets				
Investments – listed Australian equities	35,780	-	-	35,780
Investments – listed Global equities	1,569	-	-	1,569
Investments – private equities	-	-	16,132	16,132
Investments – properties current	-	-	1,554	1,554
Investments – properties non-current	-	-	96,337	96,337
	37,349	-	114,023	151,372

- The fair value of listed equities is based on quoted market prices at the reporting date.
- The fair value of private equity investments are determined using manager valuations adjusted for any performance fees in accordance with the AVCAL valuation guidelines. A variety of methods are used and assumptions are made based on market conditions existing at balance date.

31 July 2010	Level 3	Total
	$'000	$'000
Reconciliation of level 3 fair value movements		
Opening balance	26,662	26,662
Purchases	90,263	90263
Sales	(4,138)	(4,138)
Gain recognised in profit or loss	1,236	1,236
Closing balance	114,023	114,023

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Managed and Direct Private Equity

The company's practice for 'Managed Private Equity' valuations is to procure each Fund Manager's published unit price valuation and review it for reasonableness, potential misstatements and impairments. In reviewing each Fund Manager's valuation, consideration is given to audited accounts, compliance with Australian Venture Capital Association (AVCAL) valuation guidelines, Australian Accounting Standards, valuation methodology and assumptions, peer valuations, recent market prices, liquidity and control provisions, discussions with the Fund Manager and where possible, meetings with the underlying investee company's management.

The company holds 'Direct Private Equity' investments in unlisted companies which have been valued using the Board and management's best estimation of market value. The same valuation considerations for managed private equity are applied to direct private equity with greater emphasis given to audited net asset values, liquidity and minority shareholder provisions.

The impact of the revaluation of Private equities at 31 July 2010 was a gain of $839,000 (2009: a loss of $5,547,000) in the profit or loss. Private equities are recorded at fair value in the balance sheet as follows: 31 July 2010: $16,132,000 (2009: $13,732,000).

Investment Property

Investment property valuations are estimated by the Board and management with reference where possible to external valuations, market appraisals, recent comparable sales, date of purchase and capitalisation rate valuations. The impact on profit or loss relating to the revaluation of investment properties was a gain of $173,000 during 2010 (2009: $nil).

4. SEGMENT INFORMATION

The company operates only in Australia in the following segments based on the company's management reporting system:

- Cash and fixed interest
- Listed equities
- Private equities
- Investment properties
- Development properties
- Other

	2010 $'000	2009 $'000
Segment revenue		
Cash and fixed interest – interest received	1,468	4,566
Listed equities – dividends and option income	2,752	2,829
Private equities – distributions received	520	437
Investment properties – rent received	6,325	471
Other	2	3
	11,067	8,306
Segment other income		
Listed equities – recognised gains on disposal	4,922	12,011
Private equities – recognised fair value gains (losses)	839	(5,547)
Investment properties – recognised gains on disposal	124	-
Investment properties – recognised fair value gains	173	-
Development properties – recognised gains on disposal	100	458
Other	257	1,059
	6,415	7,981
Total segment revenue and other income	17,482	16,287
Segment result		
Cash and fixed interest	1,468	4,566
Listed equities	4,121	5,928
Private equities	1,307	(5,211)
Investment properties	2,756	(611)
Development properties	38	439
Other	(1,739)	(326)
	7,951	4,785
Income tax (expense) credit	(1,376)	1,458
Net profit	6,575	6,243

	2010 $'000	2009 $'000
4. SEGMENT INFORMATION (CONTINUED)		
Segment assets		
Cash and fixed interest	31,090	37,059
Listed equities	37,349	82,749
Private equities	16,132	13,732
Investment properties	95,913	10,391
Development properties	1,984	3,011
Unallocated assets	10,804	9,820
Total assets	193,272	156,762
Segment liabilities		
Listed equities	-	229
Private equities	-	1,023
Investment properties	35,858	12,475
Development properties	-	843
Unallocated liabilities	5,692	6,752
Total liabilities	41,550	21,322
Acquisition of:		
- Investment properties	87,885	76
- Development properties	350	1,535
- Listed equities	38,138	85,486
- Private equities	2,029	389
Gains (losses) on disposal or revaluation of:		
- Investment properties	297	-
- Development properties	100	458
- Listed equities	4,922	12,011
- Private equities	839	(5,547)
- Impairment – listed equities	(3,552)	(8,912)
Unallocated:		
- Depreciation	78	74
- Acquisition of property, plant and equipment	89	86

Accounting policies

Segment information is prepared in conformity with the accounting policies of the company as disclosed in note 1.

Segment revenues, expenses, assets and liabilities are those that are directly attributable to a segment and the relevant portion that can be allocated to the segment on a reasonable basis. Segment assets include all assets used by a segment and consist primarily of operating cash, investments, investment properties and plant and equipment, net of related provisions. While most of these assets can be directly attributable to individual segments, the carrying amounts of certain assets used jointly by segments are allocated based on reasonable estimates of usage. Segment liabilities consist primarily of borrowings, trade and other creditors and employee entitlements. Segment assets and liabilities do not include income taxes. Tax assets and liabilities are represented as unallocated amounts.

Segment cash flows

Segment information is not prepared for cash flows as management consider it not relevant to users in understanding the financial position and liquidity of the company.

	2010 $'000	2009 $'000

5. OPERATING PROFIT

	2010 $'000	2009 $'000
Profit from continuing operations before income tax expense includes the following specific items:		
Gains		
Private equity investment distributions	520	437
Expenses		
Interest paid	2,044	930

6. INCOME TAX EXPENSE

	2010 $'000	2009 $'000
Income tax expense (credit)		
Current tax	1,768	3,707
Deferred tax	(282)	(5,085)
Under (over) provided in prior years	(110)	(80)
	1,376	(1,458)
Income tax expense (credit) attributable to:		
Profit from continuing operations	1,376	(1,458)
Profit from discontinued operations	-	-
Aggregate income tax expense (credit) on profit	1,376	(1,458)
Numerical reconciliation of income tax expense to prima facie tax payable		
Profit from continuing operations before income tax expense	7,951	4,785
Tax at the Australian tax rate of 30% (2009 – 30%)	2,385	1,436
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Non-assessable income	(62)	(2,357)
Non-deductible expenses	-	5
Income tax incentive	-	(10)
Franked dividends	(837)	(452)
(Over) provision in prior year	(110)	(80)
Income tax expense (credit)	1,376	(1,458)
Amounts recognised directly in equity		
Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss but directly debited or credited to equity	116	(3,010)

7. CASH AND CASH EQUIVALENTS

	2010 $'000	2009 $'000
Cash at bank and on hand	8,090	3,413
Cash in transit	6,792	-
Deposits at call	16,000	3,359
	30,882	5,972

The deposits at call bear floating interest rates of up to 5.65% (2009: 3.0%).

8. CURRENT INVESTMENT PROPERTIES

	2010 $'000	2009 $'000
Land and buildings – at fair value	1,554	3,580
Movements		
Balance at beginning of year	3,580	3,569
Additions	-	11
Net gain (loss) from fair value adjustment	(175)	-
Sale of properties	(1,851)	-
Balance at end of year	1,554	3,580

	2010 $'000	2009 $'000

9. TRADE AND OTHER RECEIVABLES

	2010 $'000	2009 $'000
Trade debtors	155	16
Less: Provision for doubtful debts	-	-
	155	16
Other debtors (unsecured)	-	953
	155	969

10. COMMONWEALTH GOVERNMENT SECURITIES

	2010 $'000	2009 $'000
CGS Series TB 116 7.5% maturity 15/09/2009 – at fair value	-	30,163
	-	30,163

The CGS was held to maturity. The company received the face value of $30,000,000 and accrued interest of $1,125,000 on 15/09/2009.

11. OTHER CURRENT ASSETS

	2010 $'000	2009 $'000
Prepayments	718	211
	718	211

12. NON-CURRENT RECEIVABLES

	2010 $'000	2009 $'000
Loans to executives and employees	6	6
Other loans	6	472
	12	478

Information relating to directors and executives loans is set out in note 34.
Other loans include a property development loan charged at commercial rates.
The directors believe the fair value of receivables equal the carrying amounts.

13. LISTED EQUITIES

	2010 $'000	2009 $'000
At the beginning of the year – at fair value	82,749	90,842
Revaluation to fair value	(117)	(20,420)
Additions	38,138	75,468
Impairment	(3,552)	(8,912)
Disposals (sale and redemption)	(79,869)	(54,229)
At end of year – at fair value	37,349	82,749

	2010 $'000	2009 $'000

14. PRIVATE EQUITIES

At fair value through profit or loss

	2010 $'000	2009 $'000
Balance at the beginning of the year	13,732	19,036
Revaluation to fair value	839	(5,547)
Additions	2,029	389
Disposals (sale and redemption)	(468)	(146)
Balance at end of year	16,132	13,732

Changes in fair values of private equities at fair value through the profit or loss are recorded in other income.

15. DEVELOPMENT PROPERTIES

	2010 $'000	2009 $'000
Development properties	1,978	2,539
At cost		
Balance at beginning of year	2,539	2,156
Additions	350	1,516
Sale of properties	(1,011)	(1,591)
Net gain on disposal	100	458
Balance at end of year	1,978	2,539

16. NON-CURRENT INVESTMENT PROPERTIES

	2010 $'000	2009 $'000
Land and buildings – at fair value	94,359	6,810
At fair value		
Balance at beginning of year	6,810	6,745
Acquisition of properties	87,885	65
Net gain (loss) from fair value adjustment	348	-
Sale of properties	(684)	-
Balance at end of year	94,359	6,810
Amounts recognised in profit or loss for investment properties		
Rental revenue	6,325	471
Direct operating expenses from rental generating properties	(1,939)	(273)
	4,386	198

Changes in fair values of investment properties are recorded in other income.

16. NON-CURRENT INVESTMENT PROPERTIES (CONTINUED)

The company has reviewed the properties carrying values and present the following:

	Valuation Method	Acquisition Date	Cost including All additions $'000	Cap Rate (%)	Valuation Amount $'000	2010 $'000	2009 $'000
Port Central SC Port Macquarie NSW	(a)	Dec 2009	60,611	9%	60,465	60,611	-
Riverfront Plaza SC Kempsey, NSW	(a)	Mar 2010	13,302	8.75%	13,219	13,302	-
Moonee Beach SC Moonee Beach, NSW	(a)	May 2010	13,211	6.75%	12,909	13,211	-
328-332 Bong Bong St Bowral NSW	(a)	Nov 2004	3,799	9%	3,076	3,076	3,065
35-39 Wharf St Forster NSW	(b)	Feb 2005	1,566	n/a	1,478	1,478	850
Other Properties	(b)	1997 – 2006	2,283	n/a	2,681	2,681	2,895
Total			94,772		93,828	94,359	6,810

(a) Fair value based on capitalisation rates which reflect vacancy rates, tenant profile, lease expiry, development potential and the underlying physical condition of the centre. Further information used to support capitalisation rates have been provided in the table below.

	Port Central Shopping Centre	*Riverfront Plaza Shopping Centre*	*Moonee Beach Shopping Centre*
Acquisition date	18-Dec-09	12-Mar-10	13-May-10
Period of ownership	7 months	4 months	2 months
Age of centre	15 years	2 years	4 years
Location	Port Macquarie	Kempsey	Coffs Harbour
Shopping centre type	Sub-regional	Neighbourhood	Neighbourhood
Majors	Super IGA, Target	Coles, Target	Coles
Specialties	60	14	33
Specialty occupancy	99%	75%	24%

(b) Current prices in an active market for properties of similar nature or recent prices of different nature in less active markets.

17. PROPERTY, PLANT AND EQUIPMENT

	Freehold properties	Motor vehicles	Furniture, fittings & equipment	Total
Year ended 31 July 2009				
Opening net book amount	2,984	45	271	3,300
Additions	-	-	86	86
Depreciation charge	(32)	(11)	(32)	(75)
Closing net book amount	2,952	34	325	3,311
At 31 July 2009				
Cost or fair value	3,059	87	410	3,556
Accumulated depreciation	(107)	(53)	(85)	(245)
Net book amount	2,952	34	325	3,311
Year ended 31 July 2010				
Opening net book amount	2,952	34	325	3,311
Additions	-	49	40	89
Depreciation charge	(35)	(9)	(34)	(78)
Closing net book amount	2,917	74	331	3,322
At 31 July 2010				
Cost or fair value	3,059	109	452	3,620
Accumulated depreciation	(142)	(35)	(121)	(298)
Net book amount	2,917	74	331	3,322

18. DEFERRED TAX ASSETS

	2010 $'000	2009 $'000
The balance comprises temporary differences attributable to:		
Employee benefits	54	44
Accruals	27	19
Listed equities	3,013	2,640
Private equities	2,702	2,503
Development properties	675	649
Other	9	62
Net deferred tax assets	6,480	5,917
Movements		
Opening balance at 1 August	5,917	86
Credited to statement of comprehensive income	563	5,831
Closing balance at 31 July	6,480	5,917
Deferred tax assets to be recovered after 12 months	90	71
Deferred tax assets to be recovered within 12 months	6,390	5,846
	6,480	5,917

	2010 $'000	2009 $'000
19. OTHER NON-CURRENT ASSETS		
Other assets	331	331
20. TRADE AND OTHER PAYABLES		
Trade creditors	549	100
Other creditors and accruals	554	260
	1,103	360
21. FINANCIAL LIABILITIES		
Options – at fair value	-	229
	-	
22. CURRENT BORROWINGS		
Bill payable – unsecured	-	10,000
Finance lease – secured	10	842
	10	10,842

Risk
The company's exposure to interest rate changes arising from current and non-current borrowings are set out in note 2.
Security
Information about the security relating to each of the secured liabilities and the fair value of each of the borrowings is provided in note 25.

	2010 $'000	2009 $'000
23. TAX LIABILITIES		
Income tax	1,768	3,707
24. CURRENT PROVISIONS		
Employee entitlements	29	-
Other provisions	176	-
	205	-
25. NON-CURRENT BORROWINGS		
Bill payable – secured	35,325	2,475
Finance lease – secured	45	1,024
	35,370	3,499

Risk
The company's exposure to interest rate changes arising from current and non-current borrowings are set out in note 2.
Security
Details of the security relating to each of the secured liabilities and further information on banks loans are set out below.

Total secured liabilities

The total secured liabilities (current and non-current) are as follows:

	2010	2009
Bills payable[1]	35,325	3,317
Finance Lease[2]	55	1,024
	35,380	4,341

25. NON-CURRENT BORROWINGS (CONTINUED)

Assets pledged as security

[1]$2.325 million bill is secured against Bong Bong St, Bowral & 35-39 Wharf St, Forster, the facility is BBSY plus 1.10%. $26.0 million bill is secured against Port Central SC, the facility is BBSY plus 2.0%. The bank requires the business and company to meet certain financial ratios: the SC business must have a minimum interest coverage ratio of 1.80 times, the SC loan to valuation ratio not to exceed 50%(The LVR is measured against the specific asset/debt under this approval), the company gearing ratio must not exceed 40% and total tangible assets less total liabilities will be no less than $60 million. $7 million bill is secured against Riverfront Plaza SC, the facility is BBSY plus 2.35% the bank requires the business and company to meet certain financial ratios: the SC business must have a minimum interest coverage ratio of 1.80 times, the SC loan to valuation ratio not to exceed 57% on day one and 51% 18 months from funding (The LVR is measured against the specific asset/debt under this approval), the company gearing ratio must not exceed 40% and total tangible assets less total liabilities will be no less than $60 million. The Company has complied with the borrowing ratios.

[2] $55,000 is secured against specific plant and equipment.

	2010 $'000	2009 $'000
Financing arrangements		
Unrestricted access was available at balance date to the following lines of credit:		
Total facilities		
Unsecured bank overdrafts	1,000	1,000
Unsecured bill acceptance facility	-	20,000
Secured bill facilities	35,325	3,317
Secured loan facility	55	1,024
	36,380	25,341
Used at balance date		
Unsecured bank overdrafts	-	-
Unsecured bill acceptance facility	-	10,000
Secured bill facilities	35,325	3,317
Secured loan facility	55	1,024
	35,380	14,341
Unused at balance date		
Unsecured bank overdrafts	1,000	1,000
Unsecured bill acceptance facility	-	10,000
	1,000	11,000

The interest rates at balance date were up to a maximum of 8.34% on the secured bill facilities (2009: 4.6%).

On-balance sheet

The fair value of borrowings is based upon market prices where a market exists or by discounting the expected future cash flows by the current interest rates for liabilities with similar risk profiles.

Off-balance sheet

There are no off- balance sheet borrowings or contingencies.

	2010 $'000	2009 $'000
26. NON-CURRENT PROVISIONS		
Employee entitlements	150	123
Other provisions	94	35
	244	158
27. DEFERRED TAX LIABILITIES		
The balance comprises temporary differences attributable to:		
Prepayments	76	14
Investment properties	394	224
Listed equities	2,318	2,202
Net deferred tax liabilities	2,788	2,440
Movements:		
Opening balance at 1 August	2,440	4,704
Charged (credited) to profit or loss	232	746
Charged (credited) to equity	116	(3,010)
Closing balance at 31 July	2,788	2,440
Deferred tax liabilities to be settled after 12 months	2,788	2,440
Deferred tax liabilities to be settled within 12 months	-	-
	2,788	2,440

	Number of Shares 2010	Number of Shares 2009	2010 $'000	2009 $'000

28. CONTRIBUTED EQUITY

Share capital

	Number of Shares 2010	Number of Shares 2009	2010 $'000	2009 $'000
Ordinary shares fully paid	49,892,213	42,588,378	15,294	(895)

Movements in ordinary share capital

Date	Details	Number of Shares	Issue Price Per Share	$'000
31/07/2008	Balance	42,513,419	-	(1,111)
	Dividend Reinvestment Plan	74,959	$2.87	216
31/07/2009	Balance	42,588,378	-	(895)
	Dividend Reinvestment Plan	1,759,849	$2.42	4,259
	Rights Issue	5,543,986	$2.20	12,197
	less costs of Rights Issue	-	-	(267)
31/07/2010	Balance	49,892,213		15,294

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the company in proportion to the number of and amounts paid on the shares held.
On a show of hands every holder of ordinary shares present at a meeting in person or by proxy is entitled to one vote, and upon a poll each share is entitled to one vote.

Deferred employee share plan
The Deferred Employee Share Plan may be 42ecogniz as part of any incentive payments for all employees. For transaction cost reasons, where possible shares bought back as part of the company's ongoing capital reduction program are 42ecogniz for this purpose rather than cancelled.

Options
There were no options on issue at the time of this report.

Rights issue
On 16 November 2009 the company invited its shareholders to subscribe to a rights issue of 1 new share for every 8 existing GOW ordinary shares at an issue price of $2.20 per new share, with such shares to be issued on, and rank for dividends after 17 December 2009. The issue was fully subscribed.

On-market share buy back
During the year ended 31 July 2010 there were no shares acquired or cancelled under the company's ongoing capital management program.

Capital risk management
The company objective when managing capital is to safeguard the ability to continue as a going concern, so that continued returns to shareholders and benefits for other stakeholders can be provided while maintaining an optimal capital structure.

	2010 $'000	2009 $'000
29. RESERVES AND RETAINED PROFITS		
Reserves		
Movements		
Capital profit reserve[1]		
Opening balance	90,503	82,647
Transfer from retained profits	-	7,856
Closing balance	90,503	90,503
Long term asset revaluation reserve[2]		
Opening balance	5,136	22,743
Fair value adjustments available for sale assets		
-Listed Equities	387	(20,420)
-Commonwealth Government Securities	-	(505)
-Options	-	(420)
Deferred tax applicable to fair value adjustments	(116)	3,010
Income tax adjustment relating to prior year	-	728
Closing balance	5,407	5,136
Total reserves	95,910	95,639

[1] The capital profits reserve is used to record pre-CGT profits.
[2] The long term revaluation reserve is used to record increments and decrements on listed equities recognised in other comprehensive income. Amounts are reclassified to profit or loss when the associated assets are sold. Impaired amounts are recognised in profit or loss.

	2010 $'000	2009 $'000
Retained Profits		
Retained profits at the beginning of the financial year	40,696	52,937
Net profit attributable to members of Gowing Bros. Limited	6,575	6,243
Dividends provided for or paid	(6,753)	(10,628)
Aggregate of amounts transferred (to) from reserves	-	(7,856)
Retained profits at the end of the financial year	40,518	40,696

	2010 $'000	2009 $'000
30. DIVIDENDS		
Ordinary shares		
2009 final and special dividend of 5.0 cents (2008: 5.0 cents final) per share	4,259	2,126
Interim dividend of 5.0 cents (2009: 5.0 cents) per share	2,495	2,126
Interim special dividend of – cents (2009: 5.0 cents) per share	-	2,126
Special dividend of – cents (2009: 10.0 cents) per share	-	4,250
Total dividends declared	6,754	10,628
Dividends paid in cash	4,626	10,413
Dividend reinvestment plan	2,128	215
	6,754	10,628

Franked dividends declared and paid during the year were fully franked at the tax rate of 30%.

Dividends declared after year end

Subsequent to year end the directors have recommended the payment of a final dividend of 5 cents per ordinary share fully franked based on tax paid at 30%. The maximum amount of the proposed dividends expected to be paid on 22 October 2010 out of retained profits at 31 July 2010 is $2,494,611 (2009: $4,258,837).

The financial effect of the dividend declared subsequent to the reporting date has not been brought to account in the financial statements for the year ended 31 July 2010 and will be recognised in subsequent financial reports.

The Dividend Reinvestment Plan (DRP) will be suspended for the final dividend declared.

Franked dividends

The franked portions of the final and special dividends declared after 31 July 2010 will be franked out of existing franking credits or out of franking credits arising from the payment of income tax in the year ending 31 July 2010.

	2010 $'000	2009 $'000
Franking credits available for subsequent financial years (tax paid basis)	13,681	13,724

The above amounts are based on the balance of the franking account at year end, adjusted for:
(a) franking credits that will arise from the payment of the current tax liability
(b) franking debits that will arise from the payment of dividends recognised as a liability at the reporting date
(c) franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date
(d) franking credits that may be prevented from being distributed in subsequent financial years.

	2010 $'000	2009 $'000

31. REMUNERATION OF AUDITORS

	2010 $'000	2009 $'000
Audit and review	66	61
Tax services	11	24
Advisory services	2	1
	79	86

32. COMMITMENTS FOR EXPENDITURE

Capital commitments

The company has uncalled capital commitments of up to $2,561,500 (2009: $2,589,500) over a period of up to 10 years in relation to private equity and property fund investments held at year end.

33. EMPLOYEE ENTITLEMENTS

	2010 $'000	2009 $'000
Long service leave (note 24)	29	123
Accrual for annual leave	150	23
Other creditors and accruals	360	133
	539	279

34. RELATED PARTIES

Directors
The names of persons who were directors of Gowing Bros. Limited at any time during the financial year were Messrs W. A. Salier, J. E. Gowing and J. G. Parker.
All of these persons were also directors during the year ended 31 July 2009.

Remuneration
Information on remuneration of directors and other key management personnel is disclosed in the remuneration report.

	2010 $'000	2009 $'000
Directors and other key management personnel		
Short-term employee benefits	965,402	906,696
Post-employment benefits	87,733	103,084
Long-term benefits	11,854	6,715
	1,064,989	1,016,495

The company has taken advantage of the relief provided by Corporations Regulation 2M.3.03 and has transferred the detailed remuneration disclosures to the directors' report. The relevant information can be found in the remuneration report on pages 12 to 15.

Shares
All shares were held beneficially by the directors and other key management personnel.

	Shares held as at 31 July 2008 No.	Shares acquired/ (disposed) during the year No.	Shares held as at 31 July 2009 No.	Shares acquired/ (disposed) during the year No.	Shares held as at 31 July 2010 No.
W. A. Salier	46,774	-	46,774	8,020	54,794
J. E. Gowing	16,204,072	-	16,204,072	2,778,796	18,982,868
J. G. Parker	40,000	-	40,000	10,000	50,000
G. J. Grundy	35,135	-	35,135	27,033	62,168
J. S. Byers	25,000	-	25,000	4,288	29,288
M.D. de Lepervanche	-	-	-	-	-

Loans to directors and executives
Loans to directors and executives of the company disclosed in note 12 comprise:

	2010 J.S. Byers $	2010 Total $	2009 J.S. Byers $	2009 Total $
Balance brought forward	-	-	15,375	15,375
Cash advances	-	-	-	-
Interest charged	-	-	-	-
Repayments	-	-	15,375	15,375
Current balance	-	-	-	-

Loans to directors and executives of the company were fully repaid during the year ended 31 July 2009. There were no loans advanced during the year ended 31 July 2010.

There were no other transactions with directors and director related entities and executives.

35. INTERESTS IN JOINT VENTURES

Joint venture operations
The company has entered into a joint venture operation named Bunya Pines Estate joint venture for land sub-division and development. The company has a 50% participating interest in this joint venture and is entitled to 50% of its output.

The company has entered into a joint venture operation known as Regional Retail Properties, for long term investments in small regional retail centres. The company has a 50% participating interest in this joint venture and is entitled to 50% of its output.

The company has entered into a joint venture operation, known as Verge Street, as a long term investment property immediately adjacent to a new neighbouring shopping centre. The company has a 50% participating interest in this joint venture and is entitled to 50% of its output.

The company has entered into a joint venture operation known as Yarrawonga. Yarrawonga is an approved 32 industrial strata unit development. The company has a 50% interest in this venture and is entitled to 50% of its output.

The company's interests in the assets employed in the joint ventures are included in the balance sheet, in accordance with the accounting policy described in Note 1(k), under the following classifications:

	2010 $'000	2009 $'000
Current assets		
Cash	50	62
Trade and other receivables	37	26
Total current assets	87	88
Non-current assets		
Investment properties	3,776	4,830
Development properties	1,228	1,789
Total non-current assets	5,004	6,619
Current Share of assets employed in joint venture	5,091	6,707
Current liabilities		
Trade and other payables	14	17
Borrowings	-	843
Total current liabilities	14	860
Non-current liabilities		
Borrowings	2,325	2,475
Total non-current liabilities	2,325	2,475
Current share of liabilities employed in joint venture	2,339	3,335
Net assets employed in joint venture	2,752	3,372

$2.325 million of borrowings is secured against Bowral and Forster investment properties (Note 25).

36. SHARE-BASED PAYMENTS

The deferred employee share plan has been in operation since 2006 which allows fully paid ordinary shares to be issued for no cash consideration. All Australian resident permanent employees (excluding directors) who have been continuously employed by the company for a period of at least three years are eligible to participate in the scheme. Employees may elect not to participate in the scheme.

Shares are acquired on-market prior to the issue. Shares issued under the scheme may not be sold until the earlier of three years after issue or cessation of employment of the company. In all other respects the shares rank equally with other fully-paid ordinary shares on issue.

There were no shares issued to participating employees under the plan in 2010 or 2009.

Options

No options were on issue at year end (2009: Nil).

	2010	2009
37. EARNINGS PER SHARE		
Basic earnings per share (cents)	13.85c	14.68c
Diluted earnings per share (cents)	13.85c	14.68c
Weighted average number of ordinary shares on issue	47,476,364	42,516,500
Net profit after tax	6,575,000	6,243,000

38. RECONCILIATION OF NET PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2010 $'000	2009 $'000
Profit from ordinary activities after income tax	6,575	6,243
Depreciation	78	74
Net gain on sale of equities	(4,922)	(12,011)
Impairment – equities	3,552	8,912
Net gain on sale of investment properties	(124)	(477)
Net gain on sale of other non current asset	(100)	(915)
Net exchange difference	(196)	31
Fair value gains on private equities	(839)	5,547
Revaluation of investment properties	(173)	-
Provisions for employee entitlements	33	8
Decrease (increase) in receivables	958	(602)
Decrease (increase) in prepayments	-	(33)
Decrease (increase) in income taxes	(1,939)	(6,624)
Decrease (increase) in deferred tax balances	(332)	
Increase (decrease) in trade creditors and accruals	563	(523)
Net cash inflow from operating activities	3,134	(370)

39. SUBSEQUENT EVENTS

No other matter or circumstance has arisen which has significantly affected, or may significantly affect, the operations of the company, the results of those operations or the state of affairs of the company in future financial years.

40. OTHER INFORMATION

Gowing Bros. Limited is incorporated and domiciled in New South Wales. The registered office, and principal place of business, is Unit 21, Jones Bay Wharf, 26 – 32 Pirrama Rd, Pyrmont, NSW 2009.
Phone: 61 2 9264 6321
Facsimile: 61 2 9264 6240
Email: info@gowings.com
Website: www.gowings.com

Gowing Bros. Limited shares are listed on the Australian Stock Exchange.

The company secretaries are Mr G.J. Grundy and Mr J. S. Byers.

The share register is maintained by Computershare Investor Services Pty. Limited, Level 3, 60 Carrington Street, Sydney NSW 2000, Telephone 1300 855 080, Overseas callers +61 (0)2 8234 5000, Facsimile + 61 (0)2 8234 5050.

1. In the directors' opinion:

(a) the financial statements and notes set out on pages 20 to 49 are in accordance with the Corporations Act 2001, including:

(i) complying with Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
(ii) giving a true and fair view of the company's financial position as at 31 July 2010 and of their performance for the financial year ended on that date; and

(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

2. The notes to the financial statements include a statement of compliance with International Financial Reporting Standards.

3. The directors have been given the declarations by the chief executive officer and chief financial officer for the year ended 31 July 2010 required by section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the directors.

Tony Salier

W. A. SALIER
Director

J. E. GOWING
Director

Sydney
29 October 2010

To the directors of Gowing Bros. Limited

As lead auditor for the audit of Gowing Bros. Limited for the year ended 31 July 2010, I declare that, to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

D. K. Swindells
Partner

HLB MANN JUDD
Chartered Accountants

29 October 2010

This Auditor's Report relates to the financial report and remuneration report of Gowing Bros Ltd (the company) for the financial year ended 31 July 2010 included on the Gowing Bros Ltd's website. The company's directors are responsible for the integrity of the Gowing Bros Ltd's website. We have not been engaged to report on the integrity of this web site. The audit report refers only to the financial report and remuneration report identified above. It does not provide an opinion on any other information which may have been hyperlinked to/from the financial report. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report and remuneration report to confirm the information included in the audited financial report and remuneration report presented on this web site.

To the members of Gowing Bros Limited

We have audited the accompanying financial report of Gowing Bros Limited ("the company"), which comprises the balance sheet as at 31 July 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flow for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration for the company as set out on pages 20 to 50.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that the financial statements and notes comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of Gowing Bros Limited on 26 October 2010, would be in the same terms if provided to the directors as at the date of this auditor's report.

Auditor's Opinion

In our opinion:

(a) the financial report of Gowing Bros. Limited is in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the company's financial position as at 31 July 2010 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 12 to 15 which form part of the directors' report for the year ended 31 July 2010. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of Gowing Bros. Limited for the year ended 31 July 2010 complies with section 300A of the Corporations Act 2001.

D. K. Swindells
Partner

HLB MANN JUDD
Chartered Accountants

29 October 2010

ISSUES TO SHAREHOLDERS SINCE 19 SEPTEMBER 1985

DATE	PARTICULARS	ISSUED FROM	ISSUE PRICE $
31/10/85	Bonus issue in lieu	Asset Revaluation reserve	
30/4/86	Bonus issue in lieu	Asset Revaluation reserve	
31/10/86	Bonus issue in lieu	Asset Revaluation reserve	
16/3/87	1 for 2 Bonus issue	Asset Revaluation reserve	
30/4/87	Bonus issue in lieu	Asset Revaluation reserve	
30/4/88	Dividend Re-investment	Accumulated profits	2.50
31/10/88	Dividend Re-investment	Accumulated profits	3.70
30/4/89	Dividend Re-investment	Accumulated profits	3.75
30/4/89	Special Scrip dividend	Accumulated profits	
16/11/89	Dividend Re-investment	Accumulated profits	4.35
31/10/90	1 for 10 Bonus issue	Share Premium – Special Dividend Reserve	
31/10/91	1 for 20 Bonus issue	Share Premium Reserve	
30/4/92	Dividend Re-investment	Accumulated profits	3.75
31/10/92	Dividend Re-investment	Accumulated profits	3.80
29/10/93	Dividend Re-investment	Accumulated profits	3.60
29/4/94	Dividend Re-investment	Accumulated profits	3.50
28/4/95	Dividend Re-investment	Accumulated profits	2.60
28/4/95	Bonus in Lieu Share Plan	Share Premium Reserve	
3/10/95	1 for 10 Bonus issue	Share Premium Reserve	
31/10/95	Dividend Re-investment	Accumulated profits	3.00
31/10/95	Bonus in Lieu Share Plan	Share Premium Reserve	
26/4/96	Dividend Re-investment	Accumulated profits	2.90
26/4/96	Bonus in Lieu Share Plan	Share Premium Reserve	
30/10/96	Dividend Re-investment	Accumulated profits	3.10
30/10/96	Bonus in Lieu Share Plan	Share Premium Reserve	
25/4/97	Dividend Re-investment	Accumulated profits	4.50
25/4/97	Bonus in Lieu Share Plan	Share Premium Reserve	
15/5/97	2 for 1 Share Split		
31/10/97	Dividend Re-investment	Accumulated profits	2.60
31/10/97	Bonus in Lieu Share Plan	Share Premium Reserve	
30/4/98	Dividend Re-investment	Accumulated profits	2.35
30/4/98	Bonus in Lieu Share Plan	Share Premium Reserve	
3/11/98	Dividend Re-investment	Accumulated profits	2.10
3/11/98	Bonus in Lieu Share Plan		
28/4/99	Dividend Re-investment	Accumulated profits	1.90
28/4/99	Bonus in Lieu Share Plan		
18/11/99	Dividend Re-investment	Accumulated profits	1.95
18/11/99	Bonus in Lieu Share Plan		
28/4/00	Dividend Re-investment	Accumulated profits	1.95
28/4/00	Bonus in Lieu Share Plan		
27/10/00	Dividend Re-investment	Accumulated profits	1.80
27/4/01	Dividend Re-investment	Accumulated profits	2.36
19/10/01	Dividend Re-investment	Accumulated profits	1.95
18/12/01	In Specie Distribution	G Retail Ltd shares issued on listing	
22/4/02	Dividend Re-investment	Accumulated profits	1.90
25/10/02	Dividend Re-investment	Accumulated profits	1.80
18/12/02	Dividend Re-investment	Accumulated profits	1.95
24/4/03	Dividend Re-investment	Accumulated profits	1.90
24/10/03	Dividend Re-investment	Accumulated profits	2.40
24/10/03	Bonus in Lieu Share Plan		
23/4/04	Dividend Re-investment	Accumulated profits	2.40
23/4/04	Bonus in Lieu Share Plan		
25/10/04	Dividend Re-investment	Accumulated profits	2.55
22/4/05	Dividend Re-investment	Accumulated profits	2.70
22/4/05	Bonus in Lieu Share Plan		
17/07/09	Dividend Re-investment	Accumulated profits	2.87
05/11/10	Dividend Re-investment	Accumulated profits	2.42
17/12/10	1 for 8 Rights Issue	Accumulated profits	2.20

NOTES PAGE